Message Text

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PAGE 01 STATE 072281 TOSEC 030228 ORIGIN EB-08

INFO OCT-01 AF-08 ARA-10 EA-09 EUR-12 NEA-10 ISO-00 IO-13 AGRE-00 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-01 OMB-01 CCO-00 AID-05 NSC-05 SS-15 CEA-01 DODE-00 NSCE-00 SSO-00 USIE-00 INRE-00 ITC-01 L-03 H-02 SIG-02 /124 R

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FM SECSTATE WASHDC

TO AMEMBASSY ATHENS IMMEDIATE

AMEMBASSY BELGRADE IMMEDIATE

AMEMBASSY BERN IMMEDIATE

AMEMBASSY BOGOTA IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRASILIA IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BUCHAREST IMMEDIATE

AMEMBASSY BUDAPEST IMMEDIATE

AMEMBASSY BUENOS AIRES IMMEDIATE

AMEMBASSY DUBLIN IMMEDIATE

AMCONSUL HONG KONG IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY MADRID IMMEDIATE

AMEMBASSY MEXICO IMMEDIATE

AMEMBASSY NEW DELHI IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY SEOUL IMMEDIATE

AMEMBASSY TAIPEI IMMEDIATE

AMEMBASSY VIENNA IMMEDIATE

AMEMBASSY WARSAW IMMEDIATE

AMEMBASSY PRAGUE IMMEDIATE

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AMEMBASSY PORT AU PRINCE IMMEDIATE
AMEMBASSY STOCKHOLM IMMEDIATE
AMEMBASSY MANILA IMMEDIATE
AMEMBASSY SAN JOSE IMMEDIATE
AMEMBASSY OSLO IMMEDIATE
USLO PEKING IMMEDIATE

AMEMBASSY LISBON IMMEDIATE

AMEMBASSY MONTEVIDEO IMMEDIATE
USDEL SECRETARY IMMEDIATE
INFO USMISSION EC BRUSSELS IMMEDIATE
USMISSION GENEVA IMMEDIATE
USDEL MTN GENEVA IMMEDIATE
USMISSION OECD PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: PRESIDENTIAL STATEMENT ON NON-RUBBER FOOTWEAR CASE

1. FOLLOWING IS THE STATEMENT BY PRESIDENT CARTER ON THE FOOTWEAR IMPORT RELIEF CASE. BEGIN TEXT:

I AM VERY RELUCTANT TO RESTRICT INTERNATIONAL TRADE IN ANY WAY. FOR 40 YEARS THE UNITED STATES HAS WORKED FOR THE REDUCTION OF TRADE BARRIERS AROUND THE WORLD, AND WE ARE CONTINUING TO PURSUE THIS GOAL BECAUSE THIS IS THE SUREST LONG-RANGE WAY TO CREATE JOBS HERE AND ABROAD. ONLY PROBLEMS AS EXTREME AS THOSE FACED BY THE AMERICAN SHOE INDUSTRY COULD FORCE ME TO SEEK EVEN MODEST MANDATORY LIMITS ON IMPORTS. I HAVE SEEN THOSE SPECIAL PROBLEMS FIRST-HAND, DURING VISITS TO MANY SHOE PLANTS THROUGHOUT THE COUNTRY.

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THE NUMBER OF FIRMS IN THE SHOE INDUSTRY DROPPED FROM 600 IN 1968 TO 380 TODAY -- A 40 PERCENT DECLINE.

EMPLOYMENT IN THAT SAME PERIOD FELL BY 30 PERCENT, WHICH REPRESENTS A LOSS OF 70,000 JOBS. IMPORTS FROM OUR TWO MAJOR OVERSEAS SUPPLIERS HAVE INCREASED BY MORE THAN

100 PERCENT IN THE LAST TWO YEARS, AND SEEM TO BE INCREASING EVEN MORE RAPIDLY IN RECENT MONTHS.

I HAVE DECIDED TO REJECT THE RESTRICTIVE TARIFF RATE QUOTA RECOMMENDED BY THE INTERNATIONAL TRADE COMMISSION BECAUSE THAT RECOMMENDATION DID NOT FAIRLY BALANCE OUR CONCERNS FOR DOMESTIC JOBS AND PRODUCTION, INFLATIONARY PRESSURES AND EXPANDED WORLD TRADE.

BUT I HAVE ALSO DECIDED TO GRANT IMPORT RELIEF TO OUR DOMESTIC SHOE INDUSTRY, AND HAVE THEREFORE INSTRUCTED SPECIAL TRADE REPRESENTATIVE ROBERT STRAUSS TO NEGOTIATE

ORDERLY MARKETING AGREEMENTS WITH THE APPROPRIATE FOREIGN SUPPLIERS OF SHOES.

OVER THE LONG HAUL, THE SOLUTION TO DIFFICULTIES IN THE SHOE INDUSTRY LIES NOT IN THE RESTRICTION OF IMPORTS BUT ELSEWHERE -- IN INNOVATION AND MODERNIZATION OF OUR OWN PRODUCTION FACILITIES AND THE FINANCING TO MAKE THESE POSSIBLE.

THE AMERICAN SHOE INDUSTRY NEEDS AN EXPANDED AND MORE EFFECTIVE PROGRAM OF ASSISTANCE TO HELP IT MEET FOREIGN COMPETITION. IF HAVE DIRECTED THE SECRETARY OF COMMERCE TO WORK DIRECTLY WITH THE SECRETARY OF LABOR AND AMBASSADOR STRAUSS IN DEVELOPING SUCH A PROGRAM. TOWARD THIS END, THESE OFFICIALS WILL SEE THAT EXISTING ASSISTANCE PROGRAMS WORK BETTER.

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IN ADDITION, I WILL RECOMMEND TO CONGRESS WITHIN 90 DAYS ANY LEGISLATION WHICH MAY BE NEEDED TO PROVIDE:

- -- TECHNOLOGICAL AID TO INCREASE PRODUCTION EFFICIENCY AND DEVELOP NEW PRODUCTION METHODS.
- -- DATA AND MARKET RESEARCH TO PINPOINT NEW MARKETING OPPORTUNITIES.
- -- ASSISTANCE FOR AFFECTED COMMUNITIES AND WORKERS.
- -- HELP WITH PROMOTION AND MARKETING SERVICES.

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